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COMMUNICATION

SHIPPING FACILITIES BETWEEN THE UNITED STATES AND SOUTH AMERICA

BY HON. WILLIAM E. HUMPHREY,
Member of Congress from Washington.

In this publication for May last there appeared an anonymous article entitled "Commerce with South America." It is certainly to be regretted that the name of the writer of this article was withheld. I trust that all statements in relation to other phases of the subject are not as misleading as those in regard to the shipping facilities between this country and South America. The argument that he makes on this subject is the familiar one that has appeared in the various publications of this country in defense of the foreign steamship combine that yearly levies its unearned millions upon the American people. While not intimating that this article belongs to the class furnished by the hired writers of this South American combine that entirely controls the carrying trade between this country and South America, one thing is certain, it meets the most enthusiastic endorsement of this foreign monopoly.

The statement to which I particularly wish to call your attention, which gives the substance of his entire article upon the question of shipping, is in the following language and found on page 74 of the May number:

"In fact, having regard for the volume of cargo available, these countries are already relatively as well served from New York as are the principal ports of Europe and Asia.

"Nearly all the boats for Brazil, as well as those for the River Plata, accommodate passengers, and some of the lines operate excellent passenger boats on good schedule time. So it is no longer necessary to travel via Europe, except for those travellers who wish to spend more time and more money, because they like to take in the pleasures of London and Paris en route."

These are the statements that the conferences of the foreign ships composing the lines between here and South America are constantly giving publication in every conceivable way. The writer of the article attempts to demonstrate the truth of his statement by giving a list of what he terms "sailings" by so-called regular lines. But he does not call attention to the fact that there is not a single American vessel of any kind running between this country and South America beyond the Equator. He also carefully conceals the fact that there is not a single first-class vessel, nor even a single second-class vessel of any kind flying any flag running between this country and South America. He also directly misstates the facts when he gives, as he does, fourteen regular lines. He could not be much further from the truth than when he made that statement. As a matter of fact there is but one out of the fourteen that he specifies that professes, or even attempts to maintain, a regular schedule service. All the vessels on all these lines are slow. All of them are third class or poorer. Most of them do not run more than twelve knots an hour. Not more than three vessels can be termed in any sense modern, while as a matter of fact most of them are antiquated and out of date. None of the vessels running directly between here and South America is to be in any way compared with the vessels running on the regular lines between Europe and South America.

All statements—such as made by the nameless writer—are attempts to deceive the public by telling half the truth, by listing a lot of old, slow and obsolete vessels as regular lines and then leaving the inference that the service they give is equal to the regular lines between Europe and South America. It would be just as near the fact to say that Philadelphia had ample railroad facilities with New York, if it had only slow and irregular freight lines, and that these lines in their own way and in their own time and at their own price carried the freight and the mail, and so completely monopolized the field as to prevent all competition. Philadelphia would then, according to the views of this anonymous writer, have ample railway facilities to carry all her freight and her mail, and the manner and the rapidity with which it was carried would not be any ground for complaint. This is exactly the situation between here and South America to-day. Under such conditions would Philadelphia have the efficient facilities for trade with New York as Chicago now has with its fast trains running on fixed schedules with all modern

equipments? In this illustration Chicago occupies exactly the same position that Europe to-day occupies as compared with the United States in contesting for the trade of South America. The deception of these claims made in the article referred to, and by other defenders of this foreign monopoly, is perfectly plain. They cite these old and out-of-date vessels and claim that: *sufficient facilities* of most inferior character are *efficient facilities* to meet the competition and the demands of modern commerce.

From every one of our South American consuls we have the oft-repeated declaration that what this country needs to develop our commerce with South America is fast and regular steamship lines under the American flag. So slow and uncertain is the communication furnished to-day that practically no American fruit goes to South America except by way of Europe. Mr. George E. Anderson, American Consul-General at Rio de Janeiro, in his report of July 30, 1909, says:

"American fruit often comes to Brazil via Europe. Some American apples have been shipped across the tropics without ice, so strong has been the demand for them, although the loss en route was enormous."

This statement graphically shows the character of the service furnished, and the character of the ships used between here and South America. Further on Mr. Anderson says:

"In spite of the fact that each country in Europe can take advantage of the vessels of every other European country in the trade with South America, as the United States does of the English and German vessels serving the trade between the United States and Brazil and the River Plata, each of the principal trading nations of Europe maintains by subsidies and mail subventions a line of its own."

Here we have stated the vital difference between the service furnished between here and South America, and between Europe and South America. Europe has the fast, direct and regular lines. We have only practically a tramp service of slow ships. With these great advantages of fast and regular lines, and with each line an agent of the business interests of the government whose flag it flies working for those interests and against the interests of the United States, is it any wonder that we are not getting our share of the trade with South America? What patriotic citizen can doubt the

wisdom of the statement of Consul-General Alban G. Snyder, at Buenos Aires, January 14, 1909, in his report when he says:

"We cannot acquire our proportion of the foreign trade and what our over-production may some day demand without quick, regular and speedy ships. Under present conditions it is remarkable that we have the amount of trade in South America which we now possess."

What has already been said shows the difference in the character of the service furnished between this country and South America, and between South America and Europe; but let us take a few specific facts as showing the difference between these two services and, also, as throwing great light upon the character of the service between this country and South America.

Mr. I. E. Moses, one of the leading citizens of Seattle, Washington, who had just returned from a trip to South America, stated under oath on June 10, 1910, before what was known as the "Steenerson" Investigating Committee of the House of Representatives among other things the following:

I have here a list of the ships arriving and the ships sailing from Buenos Aires that I cut out of the newspaper there. For the last day of April and the month of May there were thirty-eight mail steamers expected at Buenos Aires, out of which five came from New York. There were eighty-three ships altogether, mail and freight ships, that were to arrive at Buenos Aires, out of which five came from New York. There were thirty-five ships sailed from Buenos Aires in May, one of them being a mail steamer to New York. The total that sailed during the month of May and the last day of April from Buenos Aires was sixty-three. Three of them were to go to New York. Out of all of those lines coming from Germany, France, Holland, Italy, Sweden, Austria, Spain—and I also saw the Portuguese flag—there was not a single American flag. The consul at Buenos Aires told me that maybe once or twice a year a sailing vessel with the American flag would come down there.

In passenger traffic a great many people travel by way of Europe because it only takes a couple of days longer and I think the additional fare amounts to only about \$10, and there is absolutely no comparison in the accommodations. You can travel like a civilized human being on the Royal Mail, and then from Southampton to New York, of course you get a good steamer.

Mr. Moses further testified that his investigations demonstrated that it was impossible to be certain of sending freight from Seattle

to Buenos Aires and having it delivered in six months unless it was sent by the "Conference" lines, the reason being that the "Conference" lines so completely monopolized the trade that they could keep a vessel outside of the conference from securing wharfage facilities to unload its cargo for a period of from three to six weeks, and thereby preventing the delivery of goods within a reasonable time, even after the vessel had actually come into port. And for this reason, among others, he found it inadvisable and impossible for merchants in Seattle to do business in Buenos Aires. It is a well-known fact that has never been disputed, that if an article is sent from this country to South America that requires prompt delivery it usually goes by the way of Europe. It is also a fact that many manufacturers of this country have been forced to establish factories in Europe in order to reach the South American trade. If any one wishes information upon this particular point or questions the correctness of this statement I would suggest that he ask the Hon. George W. Fairchild, member of Congress; Mr. J. A. Coffin, of the Aeolian Company, New York City, N. Y.; Mr. Phillip Worlin, of New Orleans, La., or Mr. George W. Gittins, general manager of the firm of Kohler & Campbell, New York City, N. Y. These men are all large shippers. They know the facts and they will substantiate everything herein stated.

If any one desires information in detail as to the shipping conditions existing between this country and South America, as compared with those between Europe and South America, he can secure such details by sending for a copy of Senate Document No. 476, Sixty-first Congress, Second Session.

I am in receipt of a letter under date of August 2, 1911, from Mr. Gittins giving some of his recent experiences. From it I quote the following:

Some few months ago we made a shipment to Rio de Janeiro of a number of pianos and cleared the shipment the same day and put the documents in the mail. The papers evidently went via Europe, but wherever they went we do not know. The shipment of pianos arrived a few weeks ahead of the documents and the result was that there were custom's fines and storage charges to the extent of over \$200.00 on the entire shipment, because the shipment could not be taken out of the customs before the documents were received.

We have had many occurrences of this character. It is a wonder that

we can retain our trade in South America, which is fast developing in all of the countries.

This is an ordinary experience not only with this firm, but with all shippers who are compelled to avail themselves of the service between here and South America so much praised,—by anonymous writers and by those interested in these foreign steamship lines, or by those who receive rebates or other special favors from them. I quote further from Mr. Gittins' letter concerning a recent attempt to ship a consignment of twenty-four pianos to Montevideo on the steamship "Hermiston" of the Houston Line:

We got our permit in the regular way and we delivered our shipment to the pier promptly. Several days after the steamship sailed, in a merely accidental way, our Export Manager discovered that the shipment was yet on the piers of the Houston Line, the S/S having sailed without taking our goods.

When I discovered it I telephoned to the Houston Line and told them that I would send our truck there and take the shipment away and send it on another line, but they refused to deliver the same, on the ground that their B/L read that if they did not make the shipment on one steamship they were at liberty to make the next one. This steamship, of course, would not sail for probably a month.

I here publish in full a letter written Mr. Gittins by his representative in Rio de Janeiro.

Stephen Schaefer
Caixa do. Correlô No. 452
Rio de Janeiro

Agent for
American Manufacturers

Show rooms and office
No. 50, Rua Dos Ourives

RIO DE JANEIRO, July 14, 1911.

My dear Mr. Gittins:

In order to show you how American goods are treated here by the shipping companies, I will take for example the three autos you have sent to me by the Steamship Voltaire, which was expected here on the 6th and arrived on the 9th July. This boat carried not a large cargo to Rio de Janeiro, but of all the cargo it carried, to-day, on the 14th of July (five days after arrival) not a single volume has been turned over to the custom house. The goods are in many small boats; my three autos are in three different boats. The shipping company will probably commence to-morrow, the 15th of July or else on Monday the 17th of July, to bring the boats over to the

custom house, one by one, and my autos will enter the custom house between the 15th of July to the 31st of July. That means that I cannot pay the duties before the autos are in the custom house and that I cannot get the autos perhaps before the end of the month. And, please do not forget that the Lamport & Holt Line is the only shipping company here with whom you possibly can ship goods to Rio de Janeiro. If you would ship with the Lloyd or with other companies, the delay would be twice or three times more! It is a shame on the American Nation that they do not provide for shipping and banks in a territory like Brazil, which, by its nature, should attract their best attention. All banks and shipping companies here are English and German; of course they are not interested in developing American trade by giving special attention and facilities to it.

It would interest me, Mr. Gittins, if you could let me know from time to time about the results of your association with regard to this country.

With kindest regards, I beg to remain, dear Mr. Gittins,

Yours sincerely,

S. SCHAEFER.

The illustrations that I have given are not isolated cases. I could give a thousand similar ones if necessary. And this lack of regular, efficient and reliable transportation facilities, in the judgment of all of our consuls and of all our business men who have had experience, is the main reason why we do not secure our part of the South American trade.

Let us, now, for a moment, examine the magnificent passenger service existing between here and South America of which your unknown contributor speaks so eulogistically. Let me again quote Mr. Moses, as he was not making loose statements and was under oath at the time. His description of the passenger accommodations on one of these magnificent vessels, the "Voltaire," by the way, one of the very best running between here and South America, is graphic and convincing. He was asked the question, "What do you say about the passenger accommodations on the 'Voltaire?'" He replied:

They were about as little as you could get; that is, they claimed to sell first-class passage; of course, there were no first-class accommodations. It is the only ship I remember being on where they had the old-fashioned way of filling the basins. They didn't even have the facilities for pouring water into the basins. We had nothing but a vessel something like a water bottle which they kept under the basin and we had to reach down and pull that out, and as to toilet facilities, the necessary vessel—the chamber—was kept in the same place, the same closet, with the water. The rule was to allow one clean towel a day. The fact is, the first day I went

in to wash my hands I found they had taken my towel out and not put a new one in, and when I inquired about it they told me that they didn't give out towels until half past eleven. I asked the steward what I was to do for a towel in the meantime. After that I found he did not take my towel out until time to replace it.

The only smoking room there was was a little room by the stairs that came up from the lower deck—that is, the deck where the dining room was—and I think three or four chairs around there filled with leather-covered cushions, and there were two chairs screwed to the floor in front of two tables. There was no ladies' saloon, or anything of that kind. When it was raining we had to go down in the dining room or in this smoking room. I have never seen any second-class accommodations on a European steamer that were as bad as the first-class accommodations on the *Voltaire*. In fact, I don't remember seeing as poor accommodations on any steamer.

A rather vivid description of the comforts of this magnificent service that, according to your unknown contributor, there is no excuse for escaping except that the passenger desires to have a good time in London and Paris. Mr. Moses further says:

The mail from New York is a very uncertain quantity. I went into the English bookstore, as it is called, when I arrived in Buenos Aires on the 23d of March, and tried to get a New York paper. The clerk kind of smiled at me, and he said they did not have any; that they would not have any in until the next mail came in. I asked him when that would be, and he said "Oh, you can't tell when any American newspapers will come in. You can get an English newspaper." He said, "We may have a New York paper in two or three weeks." Of course, I do not know whether it is the fault of the publishers or where the fault lies; but while I was there I know that we got the magazines for January, February, and March all in one batch on one day. They only get the Sunday New York papers, and when they come they come several weeks' issues all together. I asked him why they charged 45 centavos, which is about 20 cents, for a newspaper, and he said, "Nobody is going to buy these old newspapers when they could get newer ones, papers of a later date, and so whoever buys these of a later date has to pay for these old ones." Of course, the paper there was a good deal cheaper than at Rio. There the man wanted 50 cents for a New York paper. Reading came high.

I went over on a slow German steamer from Antwerp to Buenos Aires. My reason for doing that was to travel with the men who really knew the business, because it is the salesmen who do the actual business, the proprietors of the large concerns do not. I was the only American on board. There were Austrians and Russians and Frenchmen and Spaniards and Germans. I admit that it was not agreeable, being the butt of the whole party on account of the fact that they looked upon America as a kind of a cow to milk, we having no ships to carry our trade, and the

fact is we can hardly expect the facilities that the foreign countries can get, because the Lamport & Holt people and the other ships are owned in England and Germany, and there is no particular reason why they should give any more facilities than just enough to keep American ships out of the trade and throw as much as possible into the foreign countries.

The entire testimony of Mr. Moses is interesting and illuminating, and any one who cares to read it will find it in Volume I of the Hearings above referred to, page 840.

Few men in this country have made as many trips to South America, or have had as great opportunities to know the facilities furnished to passengers between here and South America, and between Europe and South America, as Mr. Fred J. Gauntlett, of Washington, D. C. He represents one of the great business concerns of this country, and this has taken him to South America many times. I asked him as to the passenger service to be had on the direct lines between this country and South America. His reply in the way of a letter states the conditions so well that I give it here in full:

WASHINGTON, D. C., July 15, 1911.

HON. W. E. HUMPHREY

Washington, D. C.

Dear Mr. Humphrey:

Replying to your request that I give you an account of my experience with the direct line of steamships from New York to South America, I beg to say that while I have made several trips to South America, that on account of the many unfavorable reports from other people I have only made one trip from Rio to New York on the direct line, and then only because it was a matter of necessity.

On this trip I found the vessel a good sea-boat, but from the passenger viewpoint that is the only good thing I can say of it.

The boats of this line are primarily freighters carrying a few passengers, which the owners evidently look upon as an accommodation to the public, as no effort seems to be made to give them first-class service, such as one has the right to expect in view of the rates charged. This is borne out by the following:

The food generally is such as would be furnished in a third-rate boarding house. One day after leaving Rio there were no lemons on board. The same thing was the case one day after leaving Bahia and Barbados, and as anyone who has travelled in the tropics can testify, this article is a necessity. The fruit furnished for the table was of a very inferior quality, and some of it served to me was unfit for food.

This is wholly inexcusable, as tropical fruits of most excellent quality

were obtainable at all the ports of call at prices which were ridiculously low.

Three days before reaching New York the chief steward announced that there were no more matches on board, and one can readily imagine the tone of the conversation in the smoking room when this announcement was made.

These few facts, by their smallness, indicate to my mind the utter indifference of the management to the passenger traffic, and as this condition is a matter of common knowledge throughout South America, the people of Brazil, Argentine and Uruguay, as well as other South American countries, will not travel by this line and go to Europe instead, where they have such a good time that they seldom extend their travels to the United States, and it is my opinion that there will be no very great growth of trade from the north to the south until such time as we can get the people of Latin-America to journey north, and realize from practical experience the superiority of the higher standards of American over European comforts of living.

I have met many Latin-Americans who have expressed a keen desire to visit the United States, but say they have heard so much of the discomforts of travel by the direct line, that they decline to subject themselves to from two to three weeks of petty annoyances when they can go to Europe surrounded by all the comforts and luxuries of modern travel by up-to-date passenger vessels.

The vessel upon which I travelled, and I believe the same fact pertains to all the vessels of the line, are not built for the passengers' comfort, as are the boats from Europe to South American ports. The berths are so narrow that they are uncomfortable. The sheets furnished to my room were too short. The boiler and hatches were not insulated, so that the heat radiated throughout the whole ship and on the main deck where the deck chairs were placed, the bulkheads in wake of boilers were so hot that one could hardly touch them.

In justice to the officers of the ship, I will say that they did everything they could for the passengers' comfort, especially the captain and purser, but the faults mentioned were faults of the management, which the officers were powerless to alter.

I have travelled on the following vessels between Europe and South American ports: Araguaya, Avon, Amazon, Aragon and Nile of the Royal Mail Steamship Company; the Konig Wilhelm II, Konig Friedrich August and the Cap Vilano of the Hamburg American Line; the Oriana of the Pacific Steam Navigation Company, and the Principessa Mafelda of the Lloyd Italiano, and found them to compare favorably with the average Trans-Atlantic liner, but so far superior to the vessel of the direct line upon which I travelled which was the "Verdi" that they cannot be compared.

The through rate by the Hamburg American Line to Southampton or Hamburg thence to Buenos Aires is two hundred dollars, which is about the same as charged by the direct line for very inferior accommodations.

In conclusion I might add that the need for a line of fast passenger and mail boats is best illustrated by the fact that I have waited in Buenos Aires thirty-five days for an important letter from New York, and on one occasion a letter was forty-one days under way, and they seldom, if ever, reach that port in less than thirty days.

Very respectfully,

FRED J. GAUNTLETT.

Remember that the "Verdi" and the "Voltaire" are the best, fastest and the most modern ships running between this country and South America. It seems to me that no further evidence is needed to absolutely refute the following statement of the article in the May ANNALS:

"Nearly all the boats for Brazil, as well as those for the River Plata, accommodate passengers, and some of the lines operate excellent passenger boats on good schedule time. So it is no longer necessary to travel via Europe, except for those travelers who wish to spend more time and more money, because they like to take in the pleasures of London and Paris en route."

Mr. Moses and Mr. Gauntlett speak from actual experience. Does your unknown correspondent?

This anonymous writer as a final and triumphant compliment to the magnificent service rendered by this combination of foreign ships, says: "And it is all done without ship subsidy, except that enjoyed by one line under the Brazilian flag." This statement is nearer the truth in sound than in fact. But if it were absolutely true I wish to ask what necessity is there of subsidizing a complete monopoly? What necessity is there for the nation whose flags these vessels fly of paying them a subsidy when this monopoly has the absolute power to levy any rate they see fit and compel the American people to pay it? In fact, many of the lines between Europe and South America receive a subsidy, but they give in return a regular service. Nothing of this character exists between this country and South America. So far as I am aware no one in this country has ever advocated subsidizing a lot of slow antiquated third-class vessels running at irregular intervals. It was undoubtedly in the writer's mind when he uttered these words to discredit recent attempts that have been made in Congress to pass merchant marine legislation. If these words, "And it is all done without a subsidy," did not come from some document secretly prepared by the representatives of the foreign steamship trusts to

defeat merchant marine legislation it is certain soon to be permanently embalmed in that literature. All the ships between here and South America are in one combination. They form a complete monopoly. They fix prices at will. They arbitrarily raise and lower freight rates. These are fixed in advance always by agreement. There is no competition whatever between these lines. I ask what is the necessity of a subsidy under such conditions. If their business is not profitable all they have to do is to increase the rate that the American shipper must pay. Not only are these lines formed into a complete monopoly and fix rates by agreement to raise and lower them at will, but they give rebates and other advantages to their shippers. They refuse to accept freight from a shipper unless that shipper agrees to patronize them exclusively. If a patron ships by another line they not only refuse to pay him any rebate that may be due him, but they refuse thereafter to carry his freight at any price. They not only coerce the shipper into paying exorbitant rates, but when he refuses they drive him out of business.

One of our consuls gives an illustration where a Brazilian firm of coffee merchants was compelled to pay the conference vessel twice as much to carry a cargo as an outside ship already in the port offered to carry it for. These merchants were warned by the agents of the conference that they would send their coffee in the ship of the combine at the price fixed by the combine or they would be driven out of business. Having no alternative they obeyed this mandate. I have in my possession a recent letter from the Arbuckle coffee firm of New York, saying that they were unable to get any of the ships of the conference to carry their coffee unless they would sign a written agreement not to patronize any outside vessel. None of the facts that I have herein stated will be denied by this foreign shipping combination. They dare not deny them. All the evidence fully substantiating every statement I have made is now in the Department of Justice at Washington, D. C. Even the writer of the anonymous article in your May number will not attempt to deny any of these statements. The only answer that is ever made to these statements is by the publication of such articles as the one contributed by him. These they circulate in every way possible and the statements they contain are more misleading in their ingenious mixture of truth and falsehood than if they gave only that which was entirely false. I certainly do not wonder that any

American citizen that would thus covertly defend the most infamous and greedy monopoly in existence would want to do it anonymously, especially when it is remembered that it is a foreign monopoly and that it lives off of the American people.

Some two years ago in an article in "Pearson's Magazine" I called attention to the workings of this shipping trust, to the inadequacy of the service and the exorbitant rates, and of its practice in giving rebates and its infamous methods of driving out of business any one that refused to patronize it. In a short time thereafter a large number of editorials appeared almost simultaneously in newspapers throughout the United States refuting the statements that had been made. The argument advanced and the facts used were almost identical with those used in the article by your anonymous contributor. All these editorials were based upon a statement made by certain firms of coffee merchants in New York City. Soon after the publication of these editorials before the Congressional Investigating Committee heretofore referred to, Mr. Joseph Purcell, of the firm of Hard & Rand, and Mr. Justus Ruperti, of the firm of Gamiska & Co., both appeared as witnesses. Both of the firms mentioned had signed the statement upon which these editorials were based and both of these gentlemen testified that the statement was prepared and brought to their firms to be signed by Busk & Daniels, agents of the Lamport and Holt Steamship Company, the controlling line in this South American monopoly. Mr. Purcell further testified that this line owed his firm \$28,000 in rebates at the time the signature of his firm was requested. A copy of this rebate agreement is published in those hearings, and an examination of it will show that the firm of Hard & Rand stood to lose this rebate unless they complied with the demand of the shipping company. Under the circumstances it is not astonishing that they signed this statement. After this statement was signed it was sent by the agents of the steamship company to the various newspapers throughout the country with a request that favorable editorial comment be made thereon and such request was accompanied by a *renewal of the advertising* of these companies in the particular paper addressed. All these facts appear in this testimony. If this magazine carried any advertising for foreign steamship lines I would warn it that the publication of this article would lose it such advertisements. At least that has

been the result that has followed the publication of some of my articles in other magazines.

It is true that your contributor gives what he calls a table of freight rates. Whether they are correct or false they prove but little or nothing. No one knows what secret agreements entered into these rates, or what the real contract was. Even if they are correct there is nothing more misleading than the isolated comparisons such as he gives. The freight rates charged by the great combination of foreign ships that completely dominates our trade not only from South America, but from this country to all parts of the world are like the ways of Providence, "past finding out." For instance, you can to-day send a ton of pottery from Germany to Denver cheaper than you can send a ton of that same pottery from Ohio to Denver, although it may be carried over the same railroad in the United States. You can to-day send a case of beer from Germany to Salt Lake City cheaper than you can send a case of beer from Cincinnati to Salt Lake City. You can to-day send a ton of steel from Pittsburgh to Yokohama cheaper than you can send one from Seattle to Yokohama, although both tons may be carried at the same time on the same ship. Here, three thousand miles of railway freight is obliterated. These are a few samples of the workings of the great foreign steamship combine that holds the prosperity of this country absolutely within its control. Such actions, however, prove nothing as to the fairness or the justness of the rates. What more graphic illustration of the absolute control of the South American trade by the foreign steamship combine could be given than the fact that last year, 1910, of the 901 entries of steam vessels in this country from South America 270 were in ballast. Think of this situation! So effectually does this monopoly control the trade that it not only fixes rates, but it is able to prevent more than one-fourth of the ships coming into our ports from South America from carrying a cargo at any price. This disgraceful and dangerous condition is not paralleled anywhere else in the world.

In the face of all these facts this nameless writer talks of low rates and ample facilities. It will be hard to convince the American people under existing conditions that the rates between here and South America are just or even reasonable. Monopoly does not spell justice or fairness or philanthropy to the American people.

To sum up. Between here and South America, to carry our great commerce amounting annually to more than \$288,000,000, we have no American ships. The American flag is but a memory in the ports of the great continent south of us. We have to depend entirely upon foreign ships. These foreign ships are slow, irregular and antiquated. Only one line attempts to give a regular schedule service. Our European competitors have fast, regular lines composed of modern ships. The rates on the inferior ships from here to South America are as high as the rates from here to Europe and from Europe to South America combined, although that distance is almost twice as great. These foreign steamship lines form an absolute monopoly that fixes freight rates at will. So completely do they control the situation that more than one-fourth of the vessels from South America that come to our ports arrive in ballast. The rates to-day between here and South America, as fixed by this combine of foreign ships, all things considered, are the highest in the world. This combine gives rebates and other privileges to favored shippers. It demands that its shippers shall not patronize any vessel outside of the combine on penalty of forfeiture of rebates and of refusal thereafter to accept any freight from such shipper. These vessels take from twenty-five to thirty days to go from New York to Buenos Aires; when it should be done in from fifteen to seventeen days. The mail is carried so irregularly as to be most destructive of business. And the passenger service! The best passenger ships in these lines sometimes have lemons on board for twenty-four hours after leaving port. Sometimes they even have the luxury of matches for the greater part of the voyage. Sometimes they have as high as one towel a day in the best state-rooms, and this unusual luxury can usually be obtained after 11.30 a. m. And then the extravagance of it,—they have sheets. It is true that they are short, but they are at least as wide as the berth. And then again these magnificent vessels in that frigid region are so constructed without insulation, and without ice, and without electric fans, that the first-class passengers in the best state-rooms can revel in the joy, not only of the heat of a tropical sun, but also in that furnished by the engine and boilers of the vessel. And you can secure all this comfort and luxury and pleasure at the same price that you can travel from here to Europe and from Europe to South America, although the distance

by that way is almost double. You can make the trip if you are lucky on one of these splendidly appointed vessels directly between here and South America almost as quickly as you make the trip by way of Europe from South America to this country. No wonder at the glowing encomiums of our nameless writer when you calmly and dispassionately contemplate these facts. And *mirabile dictu!* "It is all done without ship subsidy."

I cannot close this article without calling attention to one other statement made by this writer. He says:

"Is not our tariff 'in restraint of trade' with South America? Is not its 'spirit' to buy the least possible from a customer to whom we insist upon selling much?"

In this statement, as in his statements in regard to shipping facilities, he is unfortunate and oblivious of the facts. Do we do all the selling between here and South America? Is all the trade in our favor as he would have you believe? Look at these figures. During the year 1910 we bought from South America goods of the value of \$196,164,786. During that period we sold to South America \$92,525,218. Do these figures show that we want to sell everything and buy nothing? If the writer had searched the whole field of our foreign commerce he could not have found a more striking illustration to confound his own statements. And still more absurd is his insinuation when he says, "Is not our tariff in restraint of trade." Eighty-eight and one-half per cent of our imports from South America last year were on the free list. Certainly the tariff was not "in restraint of trade" so far as that portion of it was concerned. It seems almost as if your contributor had hunted for an absolute demonstration of the folly of his argument that our tariff is in restraint of trade when he selected South American commerce. Here, of all places, the free trader finds the least comfort. Here where our tariff is least we sell the least. Here where our free list is largest our exports are the smallest. With practically free trade with South America on our side she rewards us by selling much and buying little.

Let me repeat that if this anonymous writer had studied with care the entire commercial history of this country he could not have selected an illustration that so completely contradicts and discredits his statements as to the shipping conditions and the effect that our

tariff has upon our trade as the one he did select in using South America. Did he realize this was true and for fear that the facts would be told in answer wish to withhold his name, or has he been misled by the foreign interests that are antagonistic always to any efforts of the American people to increase our trade with South America? In any event, either by design or accident, he certainly showed his wisdom when he insisted that his communication be placed in the orphan class and without a guardian.